



Fw: objection to new TOT tax

Board of Supervisors to: BOS_Legislative Assistants,
cr_board_clerk Clerk Recorder

04/06/2015 11:20 AM

Sent by: **Cytasha Campa**

----- Forwarded by Cytasha Campa/BOS/COSLO on 04/06/2015 11:20 AM -----

From: J Johnson <j@jjohnson.net>
To: boardofsups@co.slo.ca.us,
Date: 04/06/2015 11:18 AM
Subject: objection to new TOT tax

SEE ATTACHED LETTER



TOT objection.pdf



J JOHNSON
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Mailing Address:

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April 6, 2015

San Luis Obispo County
Board of Supervisors
County Government Center
Room D-430
San Luis Obispo, CA 93408

RE: Objections to new tax

Dear Representatives:

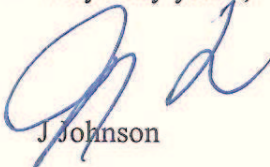
Our county **does not** need another government agency created and supported by another new tax.

The existing tourism advertising is sufficient. Our county already has one of the highest Transient Occupancy Tax (TOT) in the State (11%).

Vacancy rates in our area are near zero. Often the only motels with vacancies are in the Santa Maria area.

I have discussed this matter with others, and do not hear any support.

Very truly yours,



J. Johnson

JJ/ca



To: cr_board_clerk Clerk Recorder/ClerkRec/COSLO@Wings, Nikki Schmidt/Admin/COSLO@Wings,
Cc:
Bcc:
Subject: Fw: Proposed TMD
From: Debbie Arnold/BOS/COSLO - Monday 04/06/2015 02:37 PM
Sent by: Jennifer Caffee/BOS/COSLO

Debbie Arnold
Supervisor, 5th District
San Luis Obispo County

----- Forwarded by Jennifer Caffee/BOS/COSLO on 04/06/2015 02:37 PM -----

From: Lois Fox <lois@belvinoviaggio.com>
To: fmecham@co.slo.ca.us, bgibson@co.slo.ca.us, ahill@co.slo.ca.us, lcompton@co.slo.ca.us, darnold@co.slo.ca.us
Date: 04/06/2015 02:07 PM
Subject: Proposed TMD

Dear Board of Supervisors,

After attending the March 10 BOS meeting where the proposed TMD was discussed, and where I spoke against its relevance to B&B businesses, I left that meeting with the desire to become further educated as to several issues:

- 1/ The premise that SLO needs to be competitive with surrounding counties
- 2/ The premise that all businesses and entities that serve tourism will benefit from the TMD and should therefore participate in its assessments
- 3/ The purpose and goals set by Visit SLO and potential alternate sources of funding their program

Competition with Surrounding Counties -

I have seen the charts and graphs of dollars spent in Monterey County and Santa Barbara County, presented by Visit SLO where there is a significant difference between their marketing campaigns and that of Visit SLO. Missing in this data is the number of lodging rooms in those Counties. How can a comparison be made in a vacuum without critical qualifying data? This would be an equal and relevant comparison.

My B&B is located in the Paso Robles wine region and 98% of my guests are there for the sole purpose of enjoying the wines from Paso Robles. My guests seek out Paso Robles specifically because the wine and region have caught their attention. I belong to the Paso Robles Wine Alliance where I pay my membership dues because their efforts closely match my customer profile and they are doing a fine job of promoting the region. A business owner should always know their customer base and how best to reach it. I have done extensive analysis to understand and evaluate

the most productive way to reach potential visitors to my B&B and as I serve a specific niche in the market, I have identified those organizations that will serve my marketing goals. Santa Barbara and Monterey counties also have wine regions, however their wines and their regions are different. Consumers know and understand this and make their choices accordingly. To say that I need to compete with them is completely without merit. While I understand that a Hotel in SLO may want to compete with a hotel in Santa Barbara or Monterey for the traveler who is looking to experience a little bit of California, that does not translate to a wine specific B&B. Please allow me to make my business choices without interference and carve out the B&Bs who do not need to compete with other Counties.

Direct and Indirect Benefit from TMD should be shared by all -

I heard this statement made by proponents of the TMD as well as Supervisors Hall and Compton as a major reason

for moving forward with including all lodging. I would like to know what benefit they are referring to? Is it presumed

that my B&B will have more customers or longer stays? Why? Where is the data to back up this assumption?

This appears to be an opinion and not fact. It is an assumption made without consideration as to how it would truly

play out. I opened in 2008 and each year I have experienced an increase in business and length of stays and this is

all without a TMD. Increased tourism and longer stays is measured through TOT. I secured the records on County TOT

and in the last 10 years (with the exception of the recession which is understandable) the TOT which means increased

tourism, increased each year. Certain years saw a 10% increase in TOT. Without the benefit of a TMD, this County

continues to draw and increase in tourism each year. What measurement has Visit SLO given to evaluate the effectiveness

of a TMD? To be a fair metric it should be more than 10% as this is currently happening without their involvement.

And if that were the case, my B&B could not support an additional 15-20% increase in business, as my occupancy is

reaching my maximum now. I will not gain any benefit.

If all who benefit are to be included in the TMD to support Visit SLO, then what about restaurants, gas stations, wineries

and all businesses related to travel? Why is lodging being pinpointed? And if we are addressing those that benefit from

increased tourism, the County is one of the largest beneficiaries of increased tourism with increased TOT, yet the County

contributes only approximately \$300k to visit SLO. It seems since the BOS sees Visit SLO as a valuable program, they

would have the County participate in a more meaningful financial role.

I can understand why large hotels would be in favor of a TMD, as with a large number of

rooms they experience different

occupancy issues than a small B&B. I don't share their occupancy or length of stay issues, and to include my B&B in a

"one size fits all" program is unfair. Please do not include B&B's in the TMD as there is no proven benefit to us.

Purpose and Goals of Visit SLO and Funding-

Let me say that I am not opposed to a comprehensive marketing program for SLO County as of course I believe this has

value to the large hotels in the County but not to my business specifically. When I look at the program of visit SLO, I see

similarities to the Paso Wine Alliance, an organization that Stacie Jacobs, the current leader of Visit SLO ran for several

years. I asked Stacie why she could not secure adequate funding through memberships in the same way that Paso Wine

Alliance had. She stated that visit SLO does not have the critical mass of funds to compete with its competitive set. She

identified the competitive set as Monterey, Santa Barbara, Napa and Sonoma Counties. This supports my previous

statement of equal and fair comparisons between Counties. If SLO does not have equivalent critical mass which equates

to number of businesses supporting membership and TMD, then it is unrealistic to draw conclusions of comparisons on

marketing budgets based on these same numbers.

I heard at the BOS meeting that one of the goals of the TMD was to increase a travelers stay in the County and thereby

influencing them to move around the County to have different experiences. I have guests who have stayed as long as

11 days and all of it was spent visiting the various wineries in the Paso region. Why? Not because they weren't aware

of other interesting activities and locations within SLO County, but because they made their travel decision specific to

experiencing Paso Robles wine. These are the customers I serve. My business does not attract the traveler who wishes

to pop around the County and experience all it has to offer. I ask you to realize there is a clear and proven history of the

type of travelers to B&Bs and large hotels and they are not reached through the same marketing efforts.

As I mentioned earlier, I participate in several marketing organizations and pay my respective dues and memberships.

I have made these choices based on results achieved by these organizations. I have not seen relevant results from

Visit SLO for my B&B. However, should that change I would be open to joining their organization without the requirement to do so.

Please allow those businesses that wish to support Visit SLO or the TMD to do so and carve out the B&Bs.

Thank you for your time and consideration of all input.

Regards,

Lois Fox, Owner/Innkeeper Belvino Viaggio

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Lois Fox

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